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SECURITY INFORMATION

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German Democratic Republic

FDD Abstract [REDACTED]

CHANGES RESULTING FROM THE PROPOSED CONVERSION OF THE DEUTSCHE NOTENBANK INTO THE GDR STATE BANK
(2 pp; German; 17 Dec 51)

25X1X This two-page typewritten document furnishes the following information:

^{into} The proposed legal transformation of the DN (Deutsche Notenbank - German Bank of Issue) ~~into~~ the ~~position of~~ State Bank for East Germany will bring about other organizational changes. All the small DN accounts are to be turned over to the local savings banks to enable the DN and its branches to concentrate their efforts on the principal tasks, which are:

1. Further expansion of the clearing and transfer system of payment;
2. Granting of short-term loans;
3. Regulation of currency circulation; and
4. Handling of the bank statement - acceptance ~~system~~ system for payment of bills [RE-system]

~~With~~ The first three tasks are well known; the fourth task ~~is~~ is a device ~~xxxx~~ designed to give people-owned enterprises the opportunity to get unauthorized credit from suppliers by exceeding payment terms. This procedure will also speed up circulation of short-term funds, a fact which will make it possible for the enterprises to make better use of their operating funds.

The Berliner Stadtkontor (Municipal Finance Office) will lose its independence in the process of reorganization. All its small accounts will be turned over to the savings bank branches or to the Berliner Volksbank (People's Bank). The 30 branches of the Berliner Stadtkontor will be incorporated into the savings banks or the Volksbank. The district banks and the central bank of the Berliner Stadtkontor will become branches of the DN, which, after reorganization, will be called "State Bank".

Reorganization was to have been completed by the end of the year and the new banking system was to have been in operation by 1 January 1952. Although this target date could not be met, the plan is bound to be executed.

~~The difference between success and failure~~ Whether it will be possible to get ~~qualified~~ qualified banking experts will spell the difference between ~~a~~ success and failure for this plan. Past experience showed that truly competent banking personnel ~~was~~ was antagonized and many employees were fired ~~mostly~~ for purely political ~~reasons~~ reasons.

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[See also [REDACTED] abstracted by FDD.]

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25X4A Foreign language document or microfilm of it [REDACTED] is available from CIA Library, [REDACTED]
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